



MINUTES
Audit Committee
March 1, 2018

A meeting of the Audit Committee of the Board of Trustees of the Illinois Teachers' Retirement System was held on March 1, 2018 at the Hilton Rosemont Chicago O'Hare, 5550 North River Road, Rosemont, Illinois. Matt Hower, Chair, called the meeting to order at 1:06 p.m. A quorum was present.

Roll Call attendance was taken with the following committee members present: Matt Hower, (Chair); Mark Bailey (Vice Chair); Andy Hirshman, Fred Peronto, and Randy Winters. Trustees present: Tracy Kearney, Cinda Klickna, Laura Pearl, Larry Pfeiffer, Mark Splitstone, Dan Winter, and Tony Smith.

Others present: Dick Ingram, Executive Director; Stan Rupnik, Chief Investment Officer; Greg Turk, Director of Investments; Marcy Dutton, Chief Legal Counsel; Dave Urbanek, Director of Communications; Stacy Smith, Director of Internal Audit; Tammy Green, Executive Assistant; and Keith Johnson and Tiffany Reeves, Reinhart Boerner Van Deuren (Fiduciary Counsel); Becky Gratsinger, Marcia Beard, and Ian Bray, RVKuhns (Investment Consultant); Daragh Watson and Yevgeniy Kalinin, KPMG (Real Estate Audit Consulting).

Visitors present: Christine Williamson, Pensions & Investments and Sandy Hagan, IEA-R.

Minutes

A draft of the October 27, 2017 minutes of Audit Committee meeting was sent to the committee members for review. On a motion by Mark Bailey, seconded by Andy Hirshman, and by unanimous voice vote, the minutes were approved as printed.

KPMG Real Estate Audit Reports

Members of the committee received the FY 18 audit results of the real estate portfolios that are owned by TRS and managed by Capri Capital Partners, Barings Real Estate Advisers, Heitman Capital Management, Invesco Real Estate, Lincoln

Property Company Realty Advisors, and Principal Real Estate Investors. KPMG reported no material weaknesses in internal control. Documentation is on file.

Internal Audit Reports

Stacy Smith, Director of Internal Audit, provided summaries of the Global Equities audit and the Budgeting, Accounting and Reporting audit. Documentation is on file.

Financial Audit Report

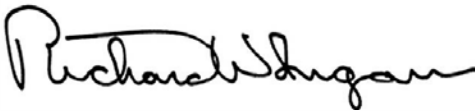
BKD LLP, Special Assistant Auditors for the Auditor General, completed the financial audit of TRS for fiscal year ended June 30, 2017. The report is on file. No findings were reported as part of this audit.

Internal Audit Plan

Staff is in the process of developing the audit plan for fiscal years 2019 and 2020. Internal Audit considers the input of senior management and the audit committee in developing the annual plan. Recommendations may be emailed to Stacy Smith, Director of Internal Audit.

ADJOURNMENT

On a motion by Mark Bailey, seconded by Andy Hirshman, and by unanimous vote, the meeting adjourned at 1:28 p.m.



Richard W. Ingram, Executive Director

Approved: 5/24/18